



*State of Idaho*  
*Department of Environmental Quality*

# *2004 Annual Report*



*The quality of life is enhanced by  
the quality of our environment.*

# *Director's Message*

Dear Reader,

The past year, once again, was a time of financial difficulty for the Department of Environmental Quality (DEQ) and for Idaho. DEQ struggled to provide critical services for the people of Idaho. Management tools that were implemented in previous years have helped to prioritize the activities we perform, allowing us to make the difficult decisions on what activities and work would have to be delayed or cancelled. We continue to look for ways to cut our costs, become more efficient and improve our methods of protecting human health and the environment.

DEQ continues to consider the current economic situation while we go about the business of protecting the environment. DEQ has expedited permitting processes, which allows businesses to begin construction of facilities and to place them into operation more quickly than was possible in the past. We spent countless hours educating the regulated public and providing easy to use guidance so the public knows what is expected of them. Guidance has been developed for specific industries on topics such as ways to reduce waste, recycling, underground storage tanks and many others. These guidance documents are available to Idahoans to help them deal with environmental regulations and reduce the waste they generate, which in turn can reduce their operating costs.

This year's Annual Report looks at many of the successes the Department of Environmental Quality (DEQ) has had over the last year and at some of the challenges yet to come. It focuses on DEQ's day to day activities, and points out some of the many collaborative efforts we undertake with other government agencies, businesses and the public to protect the environment and human health, while supporting Idaho's economy. Many of the "successes" come at a cost to the Agency, the state, and to Idahoans. I believe that many of these costs can be greatly reduced by taking a more proactive, preventative approach to environmental protection. Too often we find ourselves in a reactionary situation, cleaning up mistakes of the past. By preventing environmental degradation, we can keep Idaho a truly wonderful place to live.



# *Table Of Contents*

<i>Protecting the Environment While Supporting the Economy . . . . .</i>	<i>1</i>
--	----------

<i>Air Quality . . . . .</i>	<i>1</i>
------------------------------	----------

<i>Waste Management and Remediation . . . . .</i>	<i>4</i>
---	----------

<i>Water Quality . . . . .</i>	<i>8</i>
--------------------------------	----------

<i>Helping Idaho Businesses Through Outreach . . . . .</i>	<i>13</i>
--	-----------

<i>Financial Summary . . . . .</i>	<i>14</i>
------------------------------------	-----------

# *Protecting the Environment While Supporting the Economy*


The Department of Environmental Quality (DEQ) is committed to working with communities to achieve on-the-ground environmental results and to work in collaboration with the public and private sector to identify and implement cost-effective environmental solutions. This approach enables DEQ to fulfill its mission: To protect Human health and preserve the quality of Idaho's air, land and water for use and enjoyment today and in the future. DEQ manages a broad range of activities, including environmental

problem assessment; oversight of facilities that generate air, water, and hazardous waste pollution; air and water quality monitoring; clean-up of contaminated sites; and providing education, outreach, and technical assistance to businesses, local governments and interested citizens.

Highlighted in the following pages are some of the specific projects DEQ has been working on to help protect and improve Idaho's environment and the health of Idahoans.

## *Air Quality*

DEQ is responsible for the preservation of Idaho's air quality and the protection of public health through the regulation of air pollution. To fulfill this obligation, DEQ is involved in a broad array of projects that affect Idaho's air quality.



*In FY2003, DEQ conducted a total of 141 inspections and compliance evaluations of air pollution sources.*

## *Treasure Valley Airshed Management*

Monitoring and modeling data scientifically document - without question - that the Treasure Valley is a single airshed. DEQ efforts to manage air pollution sources are focused consistently and proactively throughout an entire airshed. This airshed management strategy involves the public in the development of community goals for air quality; collects, evaluates and integrates the most current scientific information; develops voluntary strategies to protect public health and reach community goals.

Due to the topography and weather patterns of the region, there have been problems with air pollution in the Treasure Valley since the turn of the century. In the past, Ada County has been designated as a non-attainment area under the federal Clean Air Act for both carbon monoxide and gross particulate matter (PM10). This means that the area consistently did

not meet the health-based National Ambient Air Quality Standards (NAAQS) for those pollutants. On September 30, 2003, EPA approved a plan to maintain PM10 levels in northern Ada County below NAAQS. With that action, for the first time in over 25 years, the Treasure Valley is in attainment for all of the six regulated pollutants. While the Treasure Valley community has overcome its historic air quality issues, population growth - approximately 46% between the 1990 census and the 2000 census - has caused increases in air pollution as a whole while shifting the source of the problem. In recent years, DEQ monitors have recorded high levels for two pollutants: ozone and fine particulate matter (PM2.5). Without further action, given current growth projections, the community is at risk of non-attainment designation for these two

pollutants in the not-so-distant future. This would trigger federal laws and a rigid, costly and punitive chain of events with little chance for flexibility. Further action and planning is needed if the problem is to be managed with community-based solutions rather than federally imposed restrictions. DEQ's significant air quality efforts in the Treasure Valley are dedicated to this proactive approach.

In 2003, DEQ partnered with Governor Kempthorne and the Idaho Council on Industry and the Environment to host the *Governor's Conference on Air Quality in the Treasure Valley, Practical Paths to Clean Air*. Attended by over 200 individuals, the conference helped business leaders, government officials and citizens to:

- Understand the air quality issues in the Treasure Valley, the roles of the players involved, and the potential consequences of future action or inaction;
- Consider the available options for managing air quality including costs, technology, lessons of other communities, and existing funding options; and
- Chart a path for the implementation of community-based solutions that builds on existing partnerships and infrastructures.

This Fall, Governor Kempthorne took another step to prevent additional degradation of the Treasure Valley Airshed by signing an Executive Order that directs state agencies to work with DEQ to develop and implement plans to reduce emissions from agency operations and employee commuting practices. Among other things, the order calls for the use of alternative fuels and the purchase of low emission vehicles by state agencies in the Treasure Valley.

#### How Proactive Airshed Management Helps the Economy

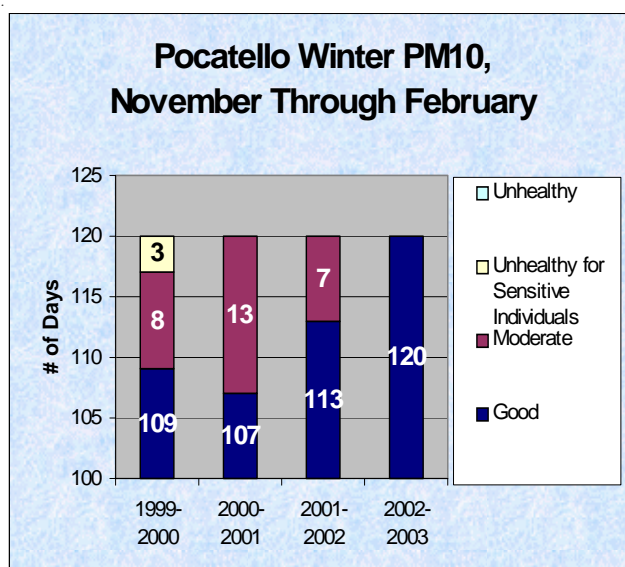
Managing air pollution proactively helps us avoid the pitfalls of traditional air pollution management. Once a problem has developed, it may take years to resolve, subjecting the public to unacceptably high pollution levels and health risks. Proactive airshed management decreases the likelihood of an area becoming a non-attainment area. Stringent permit regulations apply in non-attainment areas, which may affect production costs and discourage new or expanding businesses. These areas are subject to more regulations and restrictions than areas with good air quality and sanctions such as withholding federal highway dollars may be implemented. Other negative effects of increased air pollution include reduced crop yield, damage to the environment and damage to the scenic image of an area. Managing air pollution across the entire airshed can reduce or eliminate these problems, as well as ensure that the burden of planning and protecting air quality is shared among all contributors to local air quality.

## Portneuf Valley Airshed

The cities of Pocatello and Chubbuck typically experiences high particulate levels ( $PM_{10}$ ) from November to February. The air quality for the Portneuf Valley has consistently and dramatically improved over the past ten years. The winter of 2002-2003 (Nov. - Feb.) was the first winter where  $PM_{10}$  levels were in the GOOD category each day and  $PM_{2.5}$  levels did not exceed the MODERATE category. The last recorded  $PM_{10}$  air quality violation occurred in 1993.

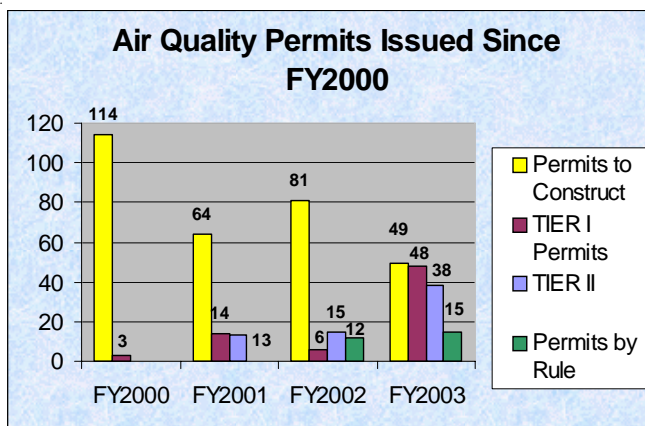
Since that time, DEQ has worked with city, county and private entities to implement a variety of control measures designed to reduce air pollution. In 2003, DEQ worked with cities and counties to modify woodstove ordinances, lowering the trigger level for a mandatory burn ban, and worked to improve controls for road dust. In addition, Idaho State University is obtaining a Tier II permit from DEQ which will contain requirements for natural gas to be used during a burn ban instead of coal.

In order to meet FY2003 budget, DEQ delayed the development of air quality plans for the Portneuf Valley and the Clearwater Airshed.



### Air Quality Permitting and the Economy

DEQ has expedited the issuance of air quality permits. In FY2003, DEQ completed the issuance of all but one of the initial Tier I operating permits. The final permit was put on hold at the request of the EPA and is expected to be issued in FY2004. DEQ has also successfully implemented a permit-by-rule process that simplifies and accelerates the permitting process for certain sources. By expediting the issuance of these permits, Idaho businesses may begin or expand their operations sooner. Participation in the permit-by-rule program is voluntary.



## *Agricultural Smoke Management*

Significant improvements and challenges marked last year's Agricultural Smoke Management Program. For the first time, all smoke management plans (SMPs) were integrated and cooperatively executed statewide. DEQ, the Idaho State Department of Agriculture (ISDA), the Environmental Protection Agency (EPA) and the Coeur d'Alene and Nez Perce Tribes pooled resources to implement an innovative and mutually supportive program. Advanced meteorological forecasting and state of the art smoke dispersion forecasting models were extended to Kootenai and Benewah counties. A new web site was added promoting quick dissemination of burn information to support growers' activities and allow citizens access

to the most current and accurate field burning information.

Improvements for next season will include adequate and timely hiring of qualified SMP field staff, enhanced enforcement authority for ISDA, improved communication and computing equipment, a re-emphasis on local decision making processes and more effective outreach to the public.

DEQ budget reductions resulted in delayed or eliminated forecasting of air quality conditions in some areas of the state.

## *Working with Idaho Businesses to Improve Air Quality*

DEQ and P4 Production LLC (P4), a subsidiary of Monsanto Company, reached an agreement to further improve air quality at P4's elemental phosphorus production facility near Soda Springs, Idaho. The agreement resulted from discussions assessing new air pollution control technologies and resulted in a schedule to install advanced scrubbing technology, assuring the P4 facility's compliance with applicable air quality standards into the future.

Under the terms of the agreement, P4 will install specific air pollution control equipment that will reduce emissions of carbon monoxide; particulate matter less than 10 microns in diameter (PM10); and sulfur dioxide from current levels. The multi-million dollar construction projects are expected to contribute significantly to the economy during the construction phase and bring certainty to P4's future operations with regard to air quality requirements.



## *Multi-Media Agreement to Protect the Environment*

DEQ and The Amalgamated Sugar Company, LLC (TASCO) entered into an agreement under which the two parties agreed to work cooperatively to identify priorities with respect to environmental control improvements and necessary expenditures to be made by TASCO at its Idaho facilities. The agreement allows TASCO to manage financial resources to maximize environmental benefits. While not relieving TASCO of any obligation to comply with state and federal laws and standards, the agreement provides a basis for TASCO to systematically work

towards achieving compliance with applicable laws and permit requirements. The agreement addresses air emissions, Title V permit issuance, drinking water receptor studies, wastewater land application permits and ground water quality issues as priorities to be addressed. This agreement provides flexibility to TASCO in addressing environmental issues, while still being protective of human health and the environment.

## *Waste Management and Remediation*

DEQ is responsible for monitoring and controlling the generation, treatment, storage and disposal of wastes in Idaho through technical assistance, permitting, corrective action, remediation, inspecting waste facilities to ensure proper operation and emergency response.

### *INEEL's Future and Responsibility*

During the past year, DEQ has worked with Idaho's Congressional delegation to ensure future missions for the Idaho National Engineering and Environmental Laboratory. While supporting the future mission, we cannot forget the commitment that the Department of Energy (DOE) has made to Idaho to protect our environment. We have worked cooperatively with DOE to begin the removal of high-level waste from waste tanks for future disposal at a safe long-term disposal facility being constructed at Yucca

Mountain, Nevada. We are pleased that DOE has effectively deployed technology to cleanup the remaining tank waste.

During the past year, Idaho successfully challenged DOE's effort to limit their commitment to remove buried waste from Idaho. Our insistence that DOE excavate buried transuranic has begun with the Pit 9 excavation project now underway.

### *City of Aberdeen: Leaking Underground Storage Tanks*

In Southeast Idaho's downtown Aberdeen, an operating gas station reported a release of gasoline to DEQ. Investigation of the release identified extensive petroleum contamination from an unknown source.

With the possibility that three separate facilities could have each contributed to the petroleum release, DEQ contracted with the College of Engineering at Idaho State University to investigate the source of contamination. The contract included installation of ten wells, sampling of the wells, a Risk-Based

Corrective Action evaluation and a final report that included groundwater flow maps and recommendations.

The information enabled DEQ to identify the responsible parties, define the extent and nature of the contamination and efficiently direct cleanup. The report was also used by the responsible parties to help meet their site investigation obligations. Currently, the three responsible parties are investigating options to cover the cost of cleanup.

## Underground Storage Tanks in Idaho

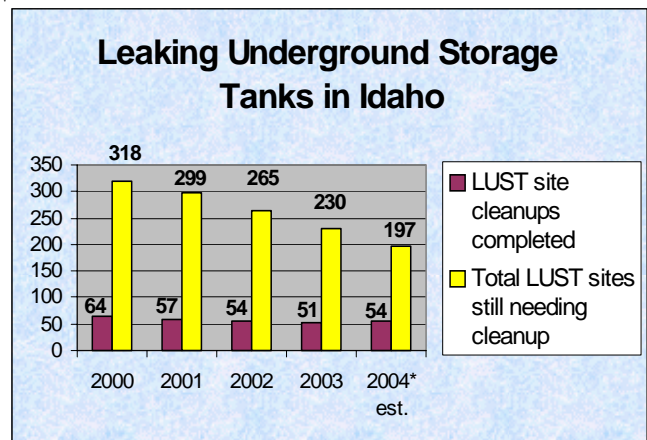
Recently the EPA conducted inspections of 94 Idaho facilities that operate underground storage tanks (USTs) in Idaho. The EPA inspections found that only 32% of the inspected USTs were in substantial compliance with federal UST rules. These rules are aimed at ensuring USTs are operated in a manner that is environmentally protective. The greatest potential hazard from a leaking UST is that the contents can seep into the soil and contaminate groundwater.

Groundwater is the source of drinking water for 96% of Idahoans. DEQ has not been delegated the regulatory authority to run a UST enforcement program in lieu of the EPA. This has hindered DEQ's ability to reduce the number of new leaking USTs. However, DEQ conducts technical assistance site visits to some UST facilities to help the operators understand what federal rules require of them.

DEQ has prepared several guidance documents to help UST operators understand their regulatory requirements for UST closures, cleanups, property transfers and waste disposal. These documents include *Real Estate Professionals and Underground Storage Tanks*; *Recommended Practices for Site Assessments during Closure of Underground Storage Tanks and Accidental Releases & Spills of Petroleum Hydrocarbon Products*; and *Recommendations for Handling of Sludge from UST Closures*. Better understanding of and compliance with the requirements will help UST owners and operators avoid costly cleanups from leaking USTs.

DEQ oversees the cleanup of contamination caused by leaking USTs (LUSTs). Since the beginning of FY2000, DEQ has overseen the completion of 226 leaking UST site cleanups. During that same time, 105 new leaking UST sites have been confirmed that are in need of cleanup. As of July 1, 2003, a total 197 LUST sites were in need of cleanup, pending available funding.

273 technical assistance site visits to facilities that operate underground storage tanks were conducted in FY2003.



DEQ has eliminated its Above Ground Storage Tank (AST) Program. This resulted in the elimination of training seminars for operators of these tanks. The potential result is an increase in contamination due to leaks from incorrectly managed above ground storage tanks.



## *Lochsa River Emergency Response*

DEQ responded to a 6,300-gallon diesel spill on a remote section of US Highway 12 along the Lochsa River. The spill presented an immediate threat to several city drinking water systems that draw their supplies from the river, endangered species habitats, and Nez Perce tribal interests. DEQ emergency response (ER) staff moderated communications for several days among 17 local, state, tribal and federal agencies and private firms that responded to the emergency to ensure adequate, qualified resources were made available.

DEQ responded to the scene to direct and assist on-site crews to contain and recover the diesel. Absorbent booms were placed in the river and pits were dug to capture the diesel fuel. Both lanes of US Highway 12 eventually had to be excavated to recover the diesel in order to prevent it from contaminating drinking water supplies or destroying fisheries. Approximately 3,400 gallons of free product was recovered. Excavation of 6,000 cubic yards of contaminated material and 10,000 cubic yards of overburden is expected to be needed to complete the project. Total cost of the response and remediation effort is projected to be \$ 1.2 Million.

The State's Hazardous Materials Emergency Response (ER) Program has grown significantly since DEQ initiated it nearly 20 years ago. The program is recognized nationwide as a model response program. Since the events of 9-11, the ER system has been adapted to handle all potential anthrax, bio-terrorism and weapons-of-mass-



destruction calls. Twelve DEQ employees rotate on-call 24 hours a day, 365 days a year, to act as the communications moderator for all emergency personnel involved in an incident. DEQ ensures that whatever local, state, or federal resources are needed to manage an emergency are provided. If needed, DEQ personnel assist on the scene as technical advisors and arrange for any needed additional cleanup after the emergency is resolved.

Due to budget considerations, DEQ reduced training for emergency response personnel. This has the potential to decrease DEQ's ability to adequately respond to emergency situations.

*DEQ served as communications moderator for ERs 273 times and responded to ERs 113 times in FY2003.*

## *Environmental Improvement in the Coeur d'Alene Basin*

The Basin Environmental Improvement Project Commission (Commission) initiated several projects under its one-year plan. Residential yard remediation began, prioritizing homes with young children and pregnant women. Focusing on remediation of homes with children has helped reduce the number of children identified with elevated blood lead levels.

Testing conducted in 1989 showed that 56% of the children under 9 years old that were tested had blood lead levels that exceeded standards. Today, testing shows that 2% of the children tested have blood lead levels that exceed the standard.

The Commission also initiated a project with the South Fork Sewer District to find ways to limit inflow and infiltration (I&I) problems in the sewer system. I & I problems, caused by sub-standard or old sewer lines allow groundwater to flow into the sewer lines

which adds additional wastewater that needs to be treated. In this case, the water is often contaminated and is believed to contribute significant metal loads to the treatment system.

### **Performing Basin cleanup in a manner that supports economic improvement**

The Commission has helped property owners address mine waste contamination issues. When remediation of a property is completed, the owner will receive documentation that their property has been cleaned up and is protective of human health. If remediation is not needed, the property owner will receive documentation that the property meets EPA requirements. Creating the regulatory documentation to support land transactions is foundational to helping local economic development. The Sewer District I & I work is helpful to economic development. The system is operating near capacity due to I & I problems. Reducing I & I decreases the amount of wastewater that needs treatment, which will allow the system to handle additional connections for new development.

## *Stibnite Mine*

Reclamation efforts at the Stibnite mine have focused on stream channel reconstruction. The Meadow Creek channel was reconstructed so the channel's base flow is below the level of a sizable tailings pile. This prevents the stream from contacting the tailings. To begin the process of building shade and cover for fish, DEQ worked with Boise Boy Scout Troop #97 harvesting native willows from nearby areas and replanting them along 2000 ft. of the reconstructed stream. When work began in 1997, there were no fish in this section of Meadow Creek. Today, Westslope cutthroat trout and Bull trout inhabit these waters.

An old hydroelectric dam on Meadow Creek was causing water to flow into a tailings pile, causing an increase in heavy metal contaminants. DEQ worked with other agencies to remove the dam allowing the creek to flow in a channel that does not cut through the tailings. This decreased the contaminants in the water.



This photograph shows the reconstructed stream channel on Meadow Creek. Revegetation and bank stabilization efforts continue.

*In FY2003, DEQ oversaw the completion of 170 remediation projects.*

## *Harmony Mine Tailings Removal Project*

As a result of a 10,500-acre fire, near Withington Creek in Lemhi County, DEQ, the US Forest Service and the EPA quickly directed an emergency cleanup of 9,000 cubic yards of unstabilized mine tailings from the Harmony Mine. The situation became an emergency when fire burned all of the vegetation from the hillsides adjacent to mine tailings piles. This increased the potential for surface water pollution including runoff, erosion and mobilization of contaminated sediment. After conducting a site visit, it was decided that CERCLA action was appropriate. United States Department of Agriculture (USDA) policy does not allow mine tailings from private property to be disposed of on public lands. DEQ requested a waiver from the Under Secretary of the USDA to allow for the removal of the tailings.

Technical assistance provided by DEQ's hazardous waste inspection program has helped many facilities reduce the amount of hazardous waste generated. This reduction often results in a facility being in a less restrictive regulatory category of hazardous waste generator, which gives those Idaho businesses more options in managing their hazardous waste, which can reduce their waste disposal costs and reduce their potential future liability.

The Idaho Office of Species Conservation (OSC) and US Forest Supervisor authorized action as of September 19, 2003. After approval, EPA contractors removed material to a repository on US Forest Service ground. Emergency action by DEQ and other agencies prevented the stream from further contamination from mine tailings.

As a result of budget reductions, DEQ has delayed work on two significant areas of contamination in the Boise area. These delays will likely result in wider spread contamination and increase the likelihood of groundwater contamination, resulting in higher ultimate cleanup costs. Cleanup efforts will resume when funding becomes available.

*In FY2003, DEQ conducted 239 hazardous waste and 92 solid waste facility inspections.*

## *Water Quality*

DEQ protects the quality of the state's surface and ground water resources through permitting, monitoring and grant, loan and technical assistance programs.

### *Surface Water TMDL Implementation*

A Total Maximum Daily Load (TMDL) is an assessment of water quality and identifies sources of pollutants. It specifies the pollutant reductions needed to meet water quality standards and allocates effluent limits to the various pollutant sources within the watershed.

Once the EPA approves a TMDL, DEQ works with watershed advisory groups (WAGs) to create an implementation plan. These plans provide a

framework for projects, involving local entities and designated management agencies, to meet the reduction goals established in the TMDL. DEQ facilitates and oversees implementation of these projects by providing technical and financial assistance. However, it is the residents, businesses, land owners and management agencies within the watershed that do the work and, therefore, determine the level of success.

## Water Quality Budget Reductions

Difficult decisions were made on what services would not be provided in the Water Quality Division. The effects of reducing or delaying surface water program activities has slowed the development of water quality standards, pre and post-TMDL monitoring, and

contracting for services. Delaying and reducing activities compromises accurate assessment and appropriate evaluation of waterbodies. However, we are able to continue to provide the most critical services while reducing or delaying others.

## Improving Idaho's Water

In conjunction with federal §319 Program efforts, DEQ provides State Non-point Source Grants for on-the-ground TMDL implementation projects. These projects may involve TMDL allocation activities or the development of certified drinking water and groundwater protection plans. DEQ works with a number of state and federal agencies and nonprofit organizations to implement these projects.

DEQ worked closely with designated management agencies in the Twin Falls, Cassia, Jerome, Gooding and Elmore Counties to coordinate the Upper Snake Rock and Mid Snake TMDL implementation plan projects. DEQ was able to provide assistance to the project sponsors to leverage their resources and manpower to obtain the greatest environmental benefit.

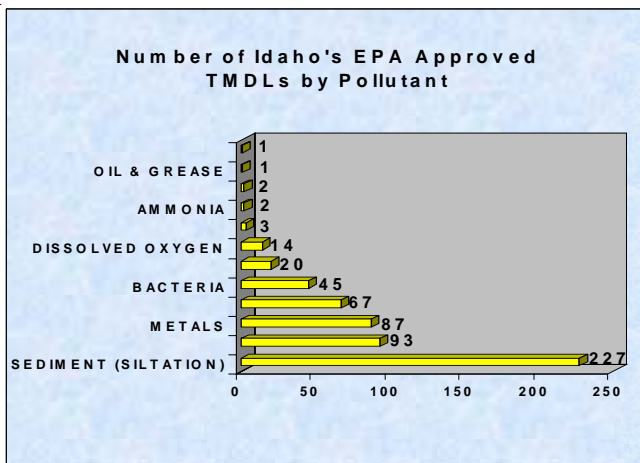
The Twin Falls Canal Company and the local Soil and Water Conservation Districts are currently sponsoring two non-point source projects targeting sediment, nutrient, phosphorus and bacteria removal. To support these projects, DEQ committed grant resources to the Cedar Draw/F and Main Perrine Coulee Non-point Source Projects.

Since the inception of the State Non-Point Source Program, one hundred fifty (150) projects have been funded. Currently DEQ is lending financial assistance to sixty-seven (67) projects with an additional eighteen (18) being funded in FY2003.

The Lower F Coulee System discharges into Cedar Draw, which is a water quality limited tributary to the Snake River. A large sediment pond and wetland area was constructed. This included an inlet structure, and gully and stream stabilization elements. This project covers roughly 15-20 acres and is designed to keep an estimated 2,000 tons of erosional sediment out of Cedar Draw each year.

The second project involves the Main Perrine Coulee which carries perennial water, excess rainfall, and irrigation flows to the Snake River. The Perrine Coulee flows through the center of the City of Twin Falls and encompasses 27,540 acres. This project is intended to reduce pollutants from 7,554 agricultural acres in the upper watershed. The project could potentially remove 89% of the sediment and corresponding phosphorus and bacteria from the Coulee.

Sediment is the primary cause of habitat degradation, and the largest single source of pollution in the state of Idaho. It enters stream channels as a result of logging, mining, urban development and agricultural activities and can have profound affect on stream quality.





## *Integrated Watershed Management*

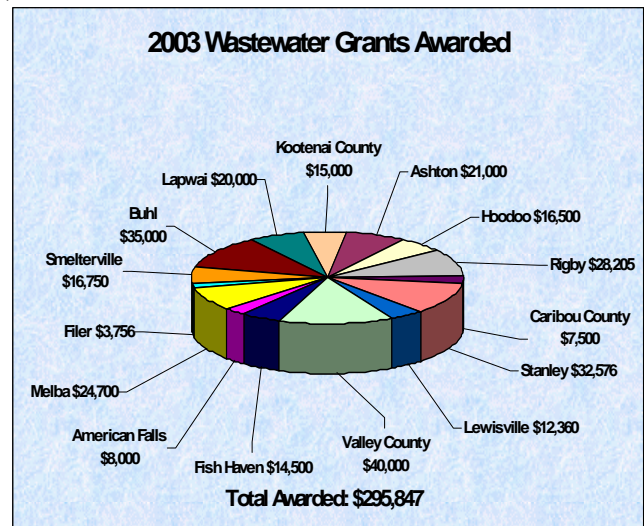
DEQ has committed \$319 grant money to the Latah Soil and Water Conservation District to develop and implement agricultural best management practices designed to improve water quality in Cow Creek. The 35,335 acre Cow Creek watershed is predominantly agricultural and lies within Latah and Nez Perce counties.

DEQ has focused efforts into an integrated watershed approach. This will coordinate the TMDL

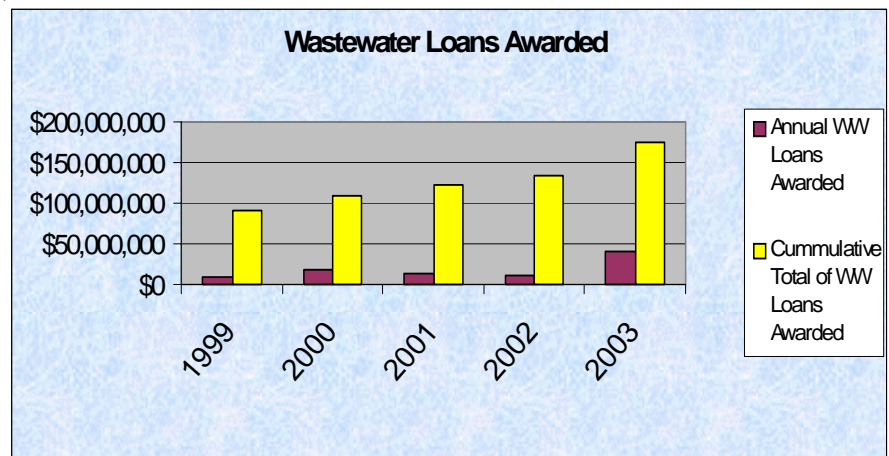
implementation plan for Cow Creek, a source water assessment and drinking water protection plan for the City of Genesee, a regional groundwater protection plan for the Cow Creek watershed and adjacent US highway wetland mitigation work. These projects will continue with a DEQ initiated monitoring program for an additional two years to determine project effectiveness at a watershed scale.

## *Wastewater Regionalization*

DEQ awarded planning grants to the City of Kamiah, Pine Ridge Sewer District, and Valley View Water and Sewer District to help prepare the facility plans that were needed to construct enhanced wastewater collection and treatment systems. These facility plans revealed the most cost effective and environmentally sound alternative to be the development of one collection and treatment system for the region. Construction of the regionalized wastewater treatment facility has been completed in Kamiah. The new facility will allow the three sewer entities and tribal housing units to effectively treat their wastewater.



DEQ conducted 76 wastewater land application inspections in FY 2003.



## Wastewater and Drinking Water Grant and Loan Program

Among the ways DEQ works to protect public health and the environment is by helping public wastewater systems construct, update, or maintain their wastewater treatment facilities through planning grants and state revolving loan funds.

The DEQ Idaho Drinking Water and Wastewater Planning Grant Programs award grants to water systems and municipalities to help prepare engineering facility planning documents for new construction or upgrade work on existing facilities. Grants may cover 50% of eligible planning costs with grantees providing the other half.

Idaho Code §39-3626 authorizes DEQ to make grants and loans, at or below market interest rates, to municipalities and public water systems, to assist in the construction of sewage treatment works and public drinking water facilities. This benefits wastewater and drinking water service providers and their customers by reducing the financial cost of producing facilities plans and undertaking new or improved facility construction, mitigating associated rate increases, assisting efforts to achieve protective treatment, and in providing safe drinking water.

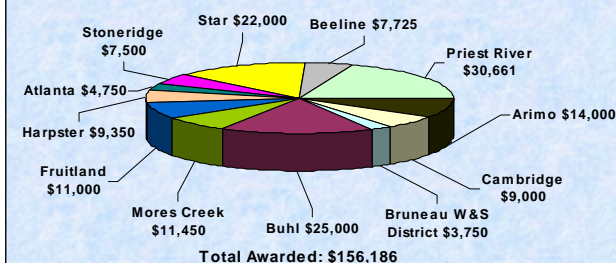
## City of Driggs Drinking Water System Improvements

While conducting an inspection of the City of Driggs drinking water system, it was discovered that the spring, which is the main water source, was under the direct influence of surface water. Surface water influence greatly increases the likelihood of contamination of a spring. The spring also has had periodic bacteria problems.

DEQ worked with the City to correct the problem by providing a drinking water planning grant to produce a facility plan. The plan addressed the issues and requirements of the needed system improvements and provided cost effective and environmentally sound alternatives.

Once the facility plan was finalized and approved, DEQ worked with the City to secure funding for the construction. A DEQ State Revolving Fund (SRF) loan was secured by the City of Driggs and leveraged with other state and federal financial resources.

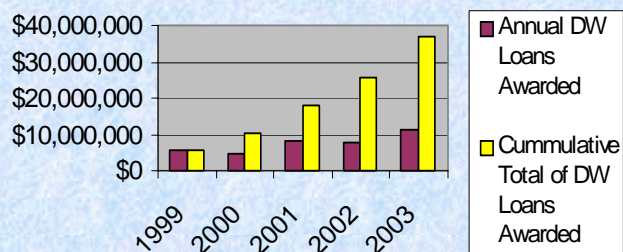
**2003 Drinking Water Grants Awarded**



The spring source has been redeveloped and the surface water influence eliminated. Additionally, a new storage tank and transmission line were built to replace old infrastructure that had been a source of contamination. The result of this effort provides a long-term source of safe drinking water for the residents of Driggs.

*In FY 2003, DEQ conducted 432 Drinking Water Sanitary Surveys and 1324 Drinking Water System Plan and Specifications Reviews.*

**Drinking Water Loans Awarded**





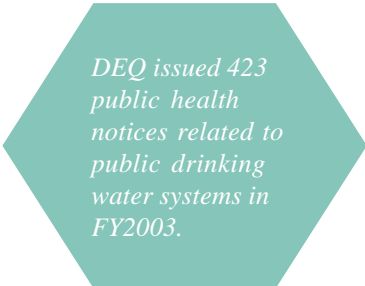
## *Stoneridge/Happy Valley Ranchos Drinking Water Systems*

Located in Northern Idaho, Happy Valley Ranchos had, for some time, worked to identify and develop an adequate source of drinking water for their community. DEQ responded to their predicament and was able to offer a planning grant that was used to identify viable alternatives. Happy Valley Ranchos made the

decision to build a connecting transmission line to the Stoneridge Association drinking water system. They paid for the necessary construction with a low interest, DEQ SRF loan. This afforded the community a level of confidence in knowing they would have access to safe drinking water.

## *Bonner's Ferry Drinking Water*

Last year, a devastating forest fire in Northern Idaho burned through a significant portion of the Myrtle Creek watershed. The watershed, which was being used by The City of Bonners Ferry as the source of drinking water, was compromised by sediment from the denuded watershed. This, in turn, presented the community with a consumptive use issue. DEQ agreed to provide access to remote monitoring equipment to be part of an early warning system. This system would allow the city to shut down a 6-mile supply pipeline in the event that disturbed sediment might impact the water intake structure.



*DEQ issued 423 public health notices related to public drinking water systems in FY2003.*

# *Helping Idaho Businesses Through Outreach*

## **Helping Idahoans through outreach and technical assistance**

DEQ provides many forms of assistance to businesses and citizens of Idaho. A strong outreach program protects the environment and public health by preventing non-compliance, contamination and pollution and by ensuring access to information on rules and regulations and prevention opportunities. DEQ also assists Idaho businesses by helping them to find ways of reducing or eliminating wastes and the associated costs they incur to dispose of the wastes they generate.

## **Print Shops**

DEQ visited 21 print shops to evaluate practices and identify opportunities for pollution prevention. The industry posed questions relating to solvent use and management. DEQ is working with them through solvent workshops to help reduce and better manage their hazardous waste.

## **Hospitals for Healthy Environments (H2E)**

DEQ joined a regional effort to promote H2E. H2E is a joint program between EPA, the American Hospital Association, and the American Nurses Association that helps hospitals reduce wastes and conserve resources. DEQ will serve as a resource to Idaho hospitals and clinics that have questions on waste management, pollution prevention and resource conservation.

## **Idaho State Dental Association Best Management Practice Initiative**

In 2003, the Dental Association adopted a set of best management practices to reduce and manage hazardous waste. To support this effort, DEQ developed fact sheets on regulations applying to dental facilities and identified local recycling and disposal resources for dentists statewide.

## **Recycling in Idaho: Profiles of Idaho Recycling Programs**

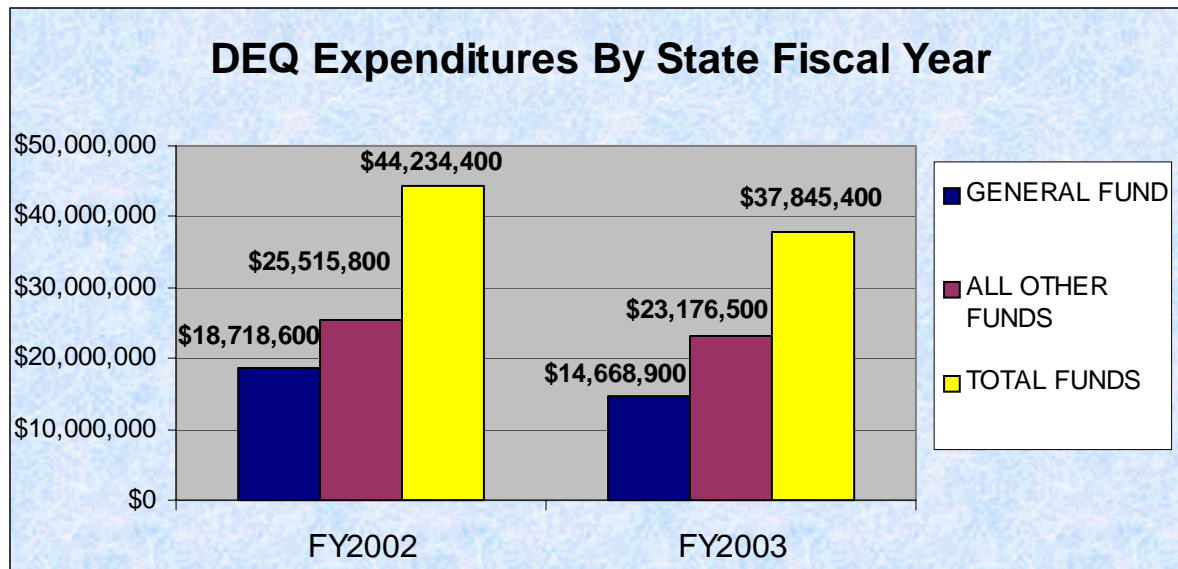
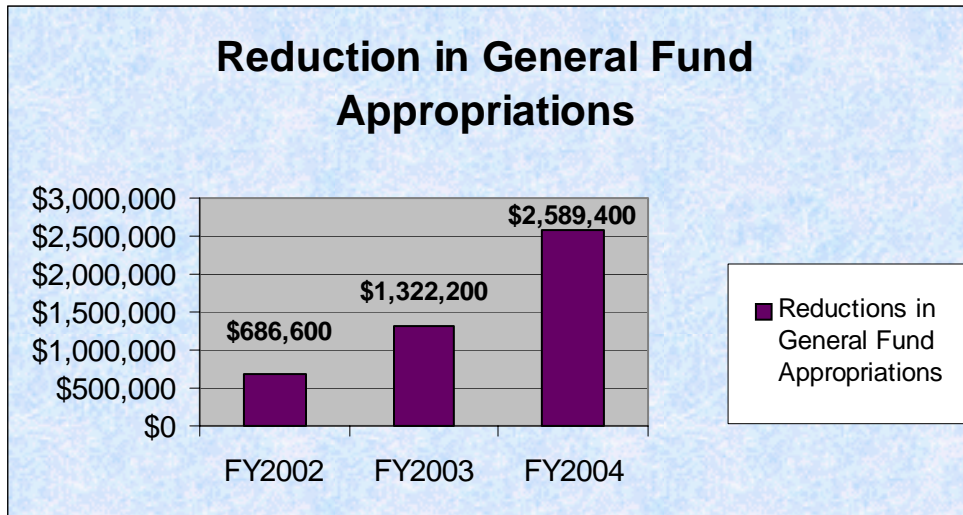
DEQ visited recycling programs statewide to develop case studies highlighting their successes. Communities in Idaho face difficulties in implementing or expanding recycling programs. Some communities have overcome these barriers to develop effective programs. This report highlights communities that run successful programs and shares information on how the programs started, how they operate, and creative techniques they use to bring recycling services to their citizens. By sharing this information, DEQ hopes to provide ideas to help other communities expand or start recycling programs.

## **Mercury in Drinking Water System Equipment**

DEQ studied the presence of mercury in drinking water system equipment. Information was collected on the types of equipment used by systems throughout Idaho. DEQ will work with manufacturers to understand what types of equipment could contain mercury, and will then develop best management practices for working with this equipment to prevent accidental spills and protect drinking water supplies.

# Financial Summary

DEQ, like all of state government, has seen budget reductions that limit services that can be provided to our customers. While we have had to delay, reduce or eliminate certain activities, DEQ has continued to provide essential services. Our general fund appropriations have been reduced by approximately \$ 2.59 million since FY2002, a 15% reduction.



STATE OF IDAHO  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
CLEAN WATER STATE REVOLVING FUND  
BALANCE SHEET  
FOR THE YEARS ENDED JUNE 30, 2002 AND 2003

<u>ASSETS</u>	<u>2003</u>	<u>2002</u>
CURRENT ASSETS		
Cash	\$ 69,074,990	\$ 54,946,556
Interest Receivable - Fund Balance	599,085	2,228
Interest Receivable – Loans	839,333	1,534,005
Loans Receivable	<u>2,646,500</u>	<u>1,986,694</u>
TOTAL CURRENT ASSETS	<u>73,159,908</u>	<u>58,469,483</u>
LONG TERM ASSETS		
Loans Receivable	<u>63,462,997</u>	<u>65,572,273</u>
TOTAL LONG TERM ASSETS	<u>63,462,997</u>	<u>65,572,273</u>
TOTAL ASSETS	<u>\$136,622,905</u>	<u>\$124,041,756</u>
 <u>LIABILITIES AND FUND EQUITY</u>		
CURRENT LIABILITIES		
Due To DEQ Fund	\$ 0	\$ 0
Other Current Liabilities	<u>10,214</u>	<u>13,571</u>
TOTAL CURRENT LIABILITIES	<u>10,214</u>	<u>13,571</u>
FUND EQUITY		
Restricted For Revolving Loan Program	<u>136,612,691</u>	<u>124,028,185</u>
TOTAL FUND EQUITY	<u>136,612,691</u>	<u>124,028,185</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$136,622,905</u>	<u>\$124,041,756</u>

*The accompanying notes are an integral part of these financial statements.*

(Unaudited 11/7/2003)

**STATE OF IDAHO  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
DRINKING WATER STATE REVOLVING FUND  
BALANCE SHEET  
FOR THE YEARS ENDED JUNE 30, 2002 AND 2003**

<b><u>ASSETS</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>
CURRENT ASSETS		
Cash	\$ 942,897	\$ 265,424
Interest Receivable – Fund Balance	1,613	0
Interest Receivable - Loans	218,156	120,609
Loans Receivable	313,783	262,843
Due From State	<u>1,372,878</u>	<u>1,118,637</u>
TOTAL CURRENT ASSETS	<u>2,849,327</u>	<u>1,767,513</u>
LONG TERM ASSETS		
Loans Receivable	<u>18,061,425</u>	<u>11,899,230</u>
TOTAL LONG TERM ASSETS	<u>18,061,425</u>	<u>11,899,230</u>
TOTAL ASSETS	<u>\$20,910,752</u>	<u>\$13,666,743</u>
 <b><u>LIABILITIES AND FUND EQUITY</u></b>		
CURRENT LIABILITIES		
Due To DEQ Fund	\$ 0	\$ 3,431
Other Current Liabilities	<u>10,555</u>	<u>8,760</u>
TOTAL CURRENT LIABILITIES	<u>10,555</u>	<u>12,191</u>
FUND EQUITY		
Restricted For Revolving Loan Program	<u>20,900,197</u>	<u>13,654,552</u>
TOTAL FUND EQUITY	<u>20,900,197</u>	<u>13,654,552</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$20,910,752</u>	<u>\$13,666,743</u>

*The accompanying notes are an integral part of these financial statements.*

(Unaudited 12/16/2003)



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